

**28-4011. Bonds; motor carriers; amount; failure of security**

- A. A self-insurer or partial self-insurer shall file a bond with the director on a form approved by the director with a surety company authorized by the corporation commission to transact business in this state as surety on the bond. The self-insurer or partial self-insurer shall be the principal obligor and this state shall be the obligee on the bond. The bond shall be conditioned on the compliance by the self-insurer or partial self-insurer with laws governing motor carriers.
- B. The director shall fix the total amount of the bond required of a self-insurer or partial self-insurer and may increase or reduce the amount at any time, subject to the limitations provided in this section. The bond required of a self-insurer or partial self-insurer shall be at least two hundred fifty thousand dollars.
- C. A self-insurer or partial self-insurer may request in writing that the director reduce a bond required pursuant to this section. The director may reduce a bond if the director determines that the self-insurer or partial self-insurer has continuously complied with this article and the self-insurer or partial self-insurer has not incurred claims for accidents involving motor vehicles for at least the previous three consecutive years. If the director determines that the reduction of the bond would jeopardize public safety, the director may elect to retain the bond or may increase the bond amount required. A person who is aggrieved by a decision of the director pursuant to this subsection may appeal the decision by requesting a hearing.
- D. If liability on the bond filed by the self-insurer or partial self-insurer with the director is discharged or reduced or if in the opinion of the director a surety on the bond given has become unsatisfactory or unacceptable, the director may require the self-insurer or partial self-insurer to file a new bond with satisfactory sureties in the same amount. If the self-insurer or partial self-insurer fails to file a new bond as required, the director shall cancel the person's certificate of self-insurance or partial self-insurance immediately. If a new bond is furnished by the self-insurer or partial self-insurer, the director shall cancel and surrender the bond for which the new bond is substituted.
- E. If the director decides that the amount of the existing bond is insufficient to ensure the safety of the public and the director gives the self-insurer or partial self-insurer five days written notice mailed to the self-insurer's or partial self-insurer's last known address, on the written demand of the director, the self-insurer or partial self-insurer shall immediately file an additional bond in the same manner and form with a surety company on the bond approved by the director in an amount determined by the director as necessary to protect public safety at all times. If the self-insurer or partial self-insurer fails to file an additional bond as required, the director shall immediately cancel the certificate of self-insurance or partial self-insurance of the person.
- F. A surety on a bond furnished by a self-insurer or partial self-insurer shall be released and discharged from all liability to this state accruing on the bond on the last day of the month that includes the sixtieth day after the date on which the surety files with the director a written request to be released and discharged. The request does not relieve, release or discharge the surety from liability already accrued or from liability that accrues before the last day of the month that includes the end of the sixty day period. On receipt of notice of the request, the director shall promptly notify the self-insurer or partial self-insurer who furnished the bond and shall immediately cancel the certificate of self-insurance or partial self-insurance of the person, unless the self-insurer or partial self-insurer, on or before the last day of the month that includes the end of the sixty day period, files with the director a new bond with a surety company satisfactory to the director in the amount and form provided in this section. If a new bond is furnished by the self-insurer or partial self-insurer, the director shall cancel and surrender the bond for which the new bond is substituted.